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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/542,109	03/31/2000	Peter J. Kight	3350-31G	4187

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EXAMINER

GARG, YOGESH C

ART UNIT PAPER NUMBER

3625

DATE MAILED: 04/13/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/542,109

Applicant(s)

KIGHT ET AL.

Examiner

Yogesh C Garg

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11/30/2004 (Board's Decision).
2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 36,38-40,42-44,46-48,50-56 and 58-61 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☒ Claim(s) 43,44,46-48,50-56,58 and 59 is/are allowed.
6) ☐ Claim(s) _____ is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
4) ☒ Interview Summary (PTO-413)
Paper No(s)/Mail Date. 4/4/05.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. Pursuant to the Remand under 37 CFR 1.193(b)(1) by the Board of Patent Appeals and Interferences on 11/30/2004, the prosecution is being reopened. The Board of Patent Appeals and Interferences in their decision made on 11/30/2004 remanded the case to the examiner to reevaluate withdrawal of the rejection of claims 36,38, 39, 40, and 42 under 35 U.S.C. 101 in the Advisory Action mailed on June 3, 2003 and also advised not to institute a new grounds of rejection under 37 CFR41.50. On evaluation of the rejection of claims 36,38, 39, 40, and 42 under 35 U.S.C. 101 in the Final Action mailed on 2/28/2003 the Examiner finds that this rejection is sustainable for reasons given below:

None of the limitations of claims 36, 38, 39, 40 and 42, as correctly observed by the Board, requires more than "looking up a bank routing number that is on a draft/check that is received at a financial institution or the federal reserve in a book or on a list to determine if the check is drawn on a valid or invalid institution" (see pages 4-5 of the Decision of Appeal), and, therefore, the invention as claimed is not required to be a computer implemented process and therefore the claimed process is no different than being manually performed resulting in non-statutory subject matter as demonstrated in the Final Action mailed on 2/28/2003.

While reviewing claims 60-61, the examiner observed that similar logic applies to the claims. The limitations of these claims do not require more than a bank teller looking up in the records to check if a particular financial institution accepts electronic funds transfer and determine if the check is drawn on a valid or invalid institution after looking up a routing number received in a request for paying a bill and then issuing instructions for debiting by electronic funds transfer [note that the claim limitation does not recite the positive step of debiting via electronic funds transfer]. Therefore, the invention as claimed is not required to be a computer

implemented process and therefore the claimed process is no different than being manually performed resulting in non-statutory subject matter.

Subsequently, after making the above said evaluation, the examiner conducted an interview on telephone with the applicant's attorney Mr. Alfred Stadnicki on 2/11/2005 proposing amendments to be made to independent claims 36, 42 and 60 to remove the present condition of being a non-statutory subject matter, as analyzed above, and put those claims in condition for allowance. Though Mr. Stadnicki agreed to introduce the term, "computer-implemented" in the preamble of the claims 36, 42 and 60, it was not considered sufficient to overcome the present condition of being a non-statutory subject matter because the recitation "computer-implemented" is not given patentable weight because it occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951). In the instant case, the steps of looking up a bank routing number that is on a draft/check that is received at a financial institution or the federal reserve in a book or on a list to determine if the check is drawn on a valid or invalid institution can be done manually and are able to stand alone.

Accordingly, PROSECUTION IS HEREBY REOPENED and a Final rejection is set forth below: (No new grounds of rejection have been introduced as instructed in the "Decision on Appeal", see page 5).

Claim Rejections - 35 USC §101

2 35 U.S.C. 101 reads as follows:

Art Unit: 3625

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

Claims 36, 38, 39, 40, 42 and 60-61 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

2.1. Claimed Invention(s) does not fall within the Technological Art.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank &*

Trust Co. v. Signature Financial Group, Inc. 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were

based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, **State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).**

In the present application, claims 36,38,39,40, 42 and 60-61 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The inventions as recited in the claims 36,38,39,40, 42 and 60-61 are merely abstract ideas that are not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. The steps like "looking up a bank routing number that is on a draft/check that is received at a financial institution or the federal reserve in a book or on a list to determine if the check is drawn on a valid or invalid institution" (see pages 4-5 of the Decision of Appeal), and generating instructions (see claims 60-61) could be done manually without the use

of electronic communication medium or a computer, and is, therefore, directed to a non-statutory subject matter. To overcome this rejection, the Examiner recommends that the Applicant amend the limitation of the claims to better clarify that if any of the method steps are done using electronic communication medium, such as a computer, network, etc..

Allowable Subject Matter

3. Claims 43-44, 46-48, 50-56, 58 and 59 are allowable over prior art. The following is a statement of reasons for the indication of allowable subject matter: The prior art of record neither anticipates nor fairly and reasonably teaches a computerized method, a system and an article of manufacture for paying bills comprising, *inter alia*, the steps of comparing and verifying a bank routing number against a plurality of stored bank routing numbers in a file/database.

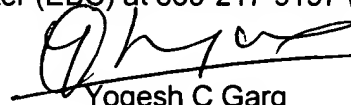
Conclusion

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure: Press release, " Federal Reserve System Docket No.R-0643 Regulation CC CFR Part 2 29 Availability of Funds and Collection of Checks; American Banker 9pre-1997 Fulltext0; New York; N.Y.; October 27, 1988; Vol.153, Iss.211; extracted on Internet on 2/2/2005 from Proquest database discloses that an Appendix A, stores a list of bank routing numbers to assist bank persons in determining if a check is local or nonlocal by comparing the routing number of the check with those in the Appendix A.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C Garg whose telephone number is 703-306-0252. The examiner can normally be reached on M-F(8:30-4:00).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).


Yogesh C Garg
Primary Examiner
Art Unit 3625

YCG
April 6, 2005